

554.13406 Procedure on excused performance.

1. If the lessee receives notification of a material or indefinite delay or an allocation justified under section 554.13405, the lessee may by written notification to the lessor as to any goods involved, and with respect to all of the goods if under an installment lease contract the value of the whole lease contract is substantially impaired (section 554.13510):

a. terminate the lease contract (section 554.13505, subsection 2); or

b. except in a finance lease that is not a consumer lease, modify the lease contract by accepting the available quota in substitution, with due allowance from the rent payable for the balance of the lease term for the deficiency but without further right against the lessor.

2. If, after receipt of a notification from the lessor under section 554.13405, the lessee fails so to modify the lease agreement within a reasonable time not exceeding thirty days, the lease contract lapses with respect to any deliveries affected.

94 Acts, ch 1052, §51